

and it is rarely that a director is made governor out of his turn or serves more than two years. The board meets with the governor and the deputy every Thursday in what has become historic as <sup>4</sup> "the bank parlor," to pass upon the report for the week.

The Bank of England has been comparatively free from government interference since the time of Pitt. It receives the public deposits and performs many financial operations for the government, but it differs from many Continental banks in the sense that "it is purely the banker of the state, and not its cashier, and as such maintains with it the same relations as with the individuals and companies which constitute its clientage."<sup>1</sup> One of the largest operations performed in this capacity was the conversion of the consolidated and other classes of three per cents, in 1888. These securities were reduced to two and three-quarters per cent., with the provision that after April 5, 1903, the rate of return should fall to two and a half per cent. Out of a total sum of £590,824,407 dealt with by the Conversion Act, the Bank of England, with some aid from the Bank of Ireland, had by November 5, 1888, converted £549,094,010.<sup>2</sup>

There is no division of the profits of the bank with the state, as among the leading Continental banks, and only moderate taxes are paid. The necessity of acting as guardian of the gold reserve of the country has kept the profits of the Bank of England, however, in recent years below those of the more successful joint stock banks. The highest dividends paid since 1866 were eleven per cent. in 1891 and ten and a half per cent, in 1879, 1882, and 1890. Ten per cent, was paid from 1897 to 1903, inclusive, but the rate in more recent years has been nine per cent.<sup>8</sup>

<sup>1</sup> Noel, I., 232.

<sup>2</sup> Gilbert, I., 93. The remainder was disposed of under various provisions of law.

<sup>3</sup> The figures for each year from 1695 down are given by Gilbert, I., 97.